



*Delaware Health and Social Services*

***Department of Health and Social Services***

***Division of Management Services***

**Joint Finance Committee Hearing  
Fiscal Year 2017**

***Kevin F. Kelley***

***Division Director***

***Tuesday, February 23, 2016***

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Senator McDowell, Representative Smith, and members of the Joint Finance Committee, I am Kevin Kelley, Director of the Division of Management Services (DMS). With me today is Zel Cannon, our Deputy Director and Debbie Wallace, Manager of the DHSS Budget, Policy and Revenue Management unit.

Information pertaining to our Division's FY '17 Governor's Recommended Budget can be found in the attached Budget Overview handout.



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## **Overview**

- High-quality leadership/technical expertise
- Efficient and cost-effective management
- *“DMS – Doing Our Best To Help You Do Yours”*

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The mission of our Division is to provide high-quality leadership and technical expertise in DHSS through efficient and cost-effective management of human, financial, information and facility resources. Our strategic focus is to leverage departmental resources so that our divisions can focus on serving the residents of Delaware. Additionally, we serve as a liaison between other state and federal agencies, legislators, and multiple community partners on various matters.



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## **DMS Units**

- Fiscal Management
- Budget and Revenue Management
- Contracts Management and Procurement
- Coordination of Birth to Three – Early Intervention Program and Quality Control
- Information Resource Management (IRM)
- Human Resource Management
- Labor Relations
- Audit and Recovery Management Services (ARM\$)
- Facility Operations

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Division of Management Services consists of nine (9) distinct functional units.

- Fiscal Management
- Budget and Revenue Management
- Contracts Management and Procurement
- Coordination of the Birth to Three – Early Intervention Program and Quality Control
- Information Resource Management
- Human Resource Management
- Labor Relations
- Audit and Recovery Management Services (ARM\$)
- Facility Operations

Great work is occurring in all of our units, but today we are focusing on just a few of our recent highlights.



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## **Birth to Three**

- Continued timely service
- 94% of families reported that they perceived positive changes in their child

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We work to ensure quality services are provided by the Birth to Three Program mandated under the Federal Individuals with Disabilities Education Act-Part C. We served 3,749 children and their families in FY 2015 – an increase of over 300 and a caseload increase of 11%. Of those served, 98% of families (up from 94%) were assisted within 45 days of referral to the program.

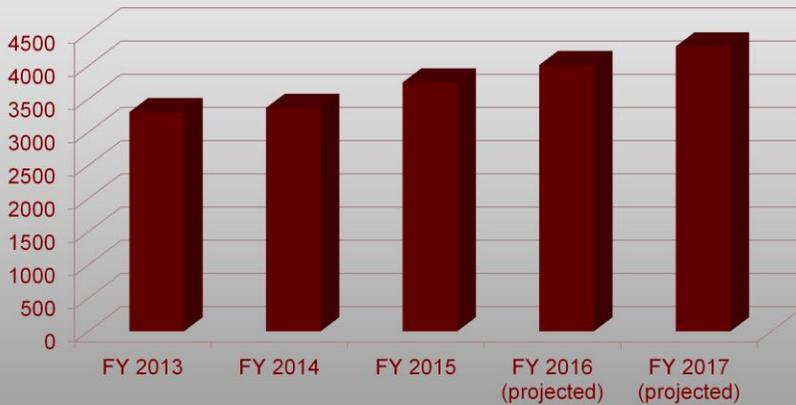
Families served by the Birth to Three Early Intervention System are surveyed annually to assess how they value the Program. The most recent survey indicated that 94% of families reported that they perceived positive changes in their children after participating in the Program and 96.5% indicated overall satisfaction in the services received.



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## Birth to Three

Utilization



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As illustrated in the above chart, and mentioned in the previous slide, the Birth to Three Program served 3,749 children and their families in FY 2015 – an increase of over 300. We expect this trend to continue through FY 2017.



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## **Information Resources Management (IRM)**

**Leveraging Federal Funds to Enhance Service  
Delivery:**

- Eligibility Modernization Project
- DE Medicaid Enterprise System
- Medicaid Decision Support System / Data Warehouse

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As of today, IRM maintains and operates 137 systems and is currently managing 68 projects. Many of these systems and projects are significantly funded by federal grants. The multi-million dollar projects being developed include:

- The Delaware Eligibility Modernization System (DEMS) project involves a comprehensive re-design, implementation of major functionality improvements, and major hardware and software technology upgrades, to our eligibility determination system. The new system provides integrated eligibility/enrollment functionality for Medicaid, the Delaware Healthy Children's Program (DHCP), and other public assistance programs. A major release of four very complex components, Assist Worker Web, FORCES, Purchase of Care, and Master Client Index, were implemented in mid-November 2015 as planned. Warranty work is in progress. The final phase of the project is scheduled to be completed by July 2016.
- The Delaware Medicaid Enterprise System (DMES) project will replace the current Medicaid Management System (MMIS). The new system will allow the State to meet the standards and conditions issued by the Centers for Medicare and Medicaid Services (CMS) in April 2011. DMES is scheduled to be operational by July 2016.
- The Medicaid Decision Support System/Data Warehouse (DSS/DW) project is for warehousing all claims data. The system is now in place and is being modified for the July 2016 implementation of the new DMES system.



# ARM\$ Collections



The Audit & Recovery Management Services unit (ARM\$) is responsible for identifying and investigating possible eligibility fraud, as well as collecting and recouping overpayments in Child Care/Purchase of Care and public assistance programs. ARM\$ does not investigate Medicaid provider fraud; provider fraud cases are investigated by the Medicaid Fraud Control Unit and the Attorney General’s Office.

ARM\$ is not only a fiscal operation, but also serves as an ongoing quality check on our programs after individuals are deemed eligible for services. Of the cases investigated/audited, 86 percent resulted with a finding of “no error”. From FY 2010 to FY 2015, ARM\$ has increased its number of claims by 110 percent. Also, of the 14 percent of cases deemed to have had an overpayment, 75 cases met the requirements to be forwarded to the Attorney General’s Office for criminal prosecution. A total of \$198,651 was ordered in restitution on these cases during FY 2015.

From FY 2010 to FY 2015, ARM\$ has increased the number of collections by 187 percent. I commend the ARM\$ staff for its diligent efforts which have increased collections from FY 2014 to FY 2015 by over \$577,000 or 30 percent. These increases have been gained through automated data matches, more effective investigations, and efficient collections activities.



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## **Facility Operations**



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Facility Operations maintains 153 buildings and infrastructure, which include four (4) long-term care facilities. They also provide security, grounds keeping, and custodial services for many DHSS locations. With the average age of the buildings being 60 years old, it is a daunting task to guarantee safe and adequate facilities for all served and employed at our locations.

In FY 2015, Facility Operations completed 407 Maintenance & Restoration (M&R) projects. M&R projects typically involve painting, carpet replacement and minor building exterior repairs as well as those required for the electrical system and heating, ventilating and air conditioning systems. Additionally, 1,685 Preventative Maintenance work orders were performed, out of which 90% were completed on schedule.

DMS has been recognized as a “State Partner” by the Environmental Protection Agency, making Delaware the first state nationally to enroll in the Responsible Appliance Disposal (RAD) program. RAD is a national program involving multinational corporations, major utility companies, and other diversified entities committed to the proper recycling of all refrigerant and insulation to state of the art facilities located throughout the United States.



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**THANK YOU!!**

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In conclusion, DMS continues to collaborate with the divisions to leverage, reevaluate and realign resources to achieve the delivery of customer driven services.

I would like to publicly acknowledge our dedicated and talented staff for its excellent work and support of our services and programs.

Thank you for your time, and now I would be happy to take your questions.